United Nations A/AC.109/2015/7

General Assembly

Distr.: General
11 February 2015

Original: English

Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples

British Virgin Islands

Working paper prepared by the Secretariat

Contents

		Page
	The Territory at a glance	3
I.	Constitutional, political and legal issues	4
II.	Budget	5
III.	Economic conditions	5
	A. General	5
	B. Financial services	5
	C. Tourism	6
	D. Agriculture and fisheries	6
	E. Communications and infrastructure	6
IV.	Social conditions	7
	A. Labour and immigration	7
	B. Education	7
	C. Public health	8

Note: The information contained in the present paper has been derived from public sources, including those of the territorial Government, and from information transmitted to the Secretary-General by the administering Power under Article 73 *e* of the Charter of the United Nations. Information was transmitted by the administering Power on 23 December 2013. Further details are contained in previous working papers available from www.un.org/en/decolonization/workingpapers.shtml.

15-01857 (E) 060315

Please recycle

D. Crime and public safety 8
E. Human rights 9
V. Environment 9
VI. Relations with international organizations and partners 10
VII. Future status of the Territory 11
A. Position of the territorial Government 11
B. Position of the administering Power 11
VIII. Action taken by the General Assembly 11

The Territory at a glance

Territory: The British Virgin Islands is a Non-Self-Governing Territory under the Charter of the United Nations administered by the United Kingdom of Great Britain and Northern Ireland.

Representative of administering Power: Governor John S. Duncan (August 2014).

Geography: Located approximately 100 km east of Puerto Rico and 25 km from the United States Virgin Islands, the Territory comprises a group of some 50 islands, islets and cays that form an archipelago with the United States Virgin Islands. Twenty of the islands are inhabited. The major islands are Tortola, Virgin Gorda, Anegada and Jost Van Dyke.

Land area: 153 km^2.

Exclusive economic zone: 80,117 km^2.

Population: 28,200. (2010 census), of which 39 per cent are citizens, or "belongers". The great majority of "non-belongers" hail from countries in the region, North America and Europe.

Life expectancy at birth: 78.3 years (men: 77.0 years, women: 79.7 years (2014 estimate)).

Language: English.

Capital: Road Town, located on the largest island, Tortola.

Head of territorial Government: Premier Daniel Orlando Smith.

Main political parties: National Democratic Party; Virgin Islands Party.

Elections: Most recent: November 2011; next: due by December 2015.

Legislature: 15-member unicameral House of Assembly.

Gross domestic product per capita: $31,300 (2013 estimate).

Economy: Financial services and tourism.

Main trading partners: The United States of America, the United Kingdom and the States members of the Caribbean Community (CARICOM).

Unemployment rate: 2.8 per cent (2010 census).

Monetary unit: United States dollar.

Brief history: The earliest known inhabitants of the Territory were the Arawaks and the Caribs, indigenous peoples of the region. The Dutch established the first permanent European settlement in 1648. British planters took control of the islands in 1666 and the Territory attained the status of a British colony.

I. Constitutional, political and legal issues

1. Under the Virgin Islands Constitution Order 2007, the British crown appoints a Governor with responsibilities for defence, internal security, external affairs, public service and the administration of the courts. In the areas of internal security and external affairs, the Constitution provides for the territorial Government to have formal input. There is a reservation for the British crown to make laws for the peace, order and good government of the Virgin Islands. In terms of external relations, the British Virgin Islands is entrusted to negotiate treaties in specific areas such as certain offshore financial matters.

2. The 2007 Constitution led to the introduction of a cabinet-style Government. The Cabinet consists of the Premier, appointed by the Governor from among the elected members of the House of Assembly; four other Ministers, appointed by the Governor on the advice of the Premier; and one ex officio member — the Attorney General. The Governor attends and presides over the Cabinet. The agenda is agreed by the Cabinet Steering Committee, consisting of the Governor, the Premier and the Cabinet Secretary. The House of Assembly consists of a Speaker, the Attorney General (ex officio) and 13 elected members — 9 from one-member electoral districts and 4 representing the Territory at large.

3. General elections must be held at least once every four years. Candidates are elected on the basis of a simple majority. Persons voting must be 18 years of age or over and have "belonger" status. Belonger status includes the right to work without a permit and the right to vote. In practice, a person must reside continuously in the Territory for 20 years before he or she may apply for permanent residence and, subsequently, belonger status. In the general election held on 7 November 2011, the National Democratic Party, at that time the opposition party, won a majority of seats — 9 out of 13. Its leader, Daniel Orlando Smith, became the new Premier. The Virgin Islands Party won the remaining four seats.

4. The law of the British Virgin Islands comprises the common law of England, locally enacted legislation and imperial legislation. Justice is administered by the Saint Lucia-based Eastern Caribbean Supreme Court, which consists of the High Court of Justice and the Court of Appeal. According to the administering Power, there are three resident High Court judges and a visiting Court of Appeal, which comprises the Chief Justice and two judges of appeal and sits twice a year in the Territory. There is also a magistrates court, which hears prescribed civil and criminal cases, as well as a juvenile court and a court of summary jurisdiction. The Privy Council of the United Kingdom of Great Britain and Northern Ireland is the final court of appeal. The British Overseas Territories Act 2002 provides for the granting of British citizenship to "British Overseas Territory citizens".

5. As previously reported, at the Pacific regional seminar held in Quito from 30 May to 1 June in 2012, the representative of the British Virgin Islands stated that the Territory's position was to maintain its current relationship with the administering Power, built on mutual respect and a mature partnership, as the Territory continued to grow. Furthermore, speaking at the Caribbean regional seminar held in Quito from 28 to 30 May 2013, the representative of the British Virgin Islands stated that, in his view, the Special Political and Decolonization Committee (Fourth Committee) should set specific achievable goals, taking into

account the particularities of each territory, in order to further advance the decolonization process in all the territories.

II. Budget

6. According to the Government of the British Virgin Islands, the estimated expenditures of the Territory for 2014 amounted to approximately $246.8 million, with estimated revenues of about $302.3 million.

7. The Territory collects stamp duties on certain transactions and property and payroll taxes; however, there are no value added or goods and services taxes and the income tax is 0 per cent. The December 2011 report by the Education International Research Institute on behalf of the Council of Global Unions, entitled "Global Corporate Taxation and Resources for Quality Public Services", indicated that the British Virgin Islands was one of the jurisdictions with very low taxation.

III. Economic conditions

A. General

8. According to information provided by the administering Power, the two main pillars of the Territory are tourism and offshore financial services, which combined, contribute over half of the gross domestic product (GDP). The GDP estimate for 2013 was $915.6 million, indicating nominal growth of 0.68 per cent over the 2012 figures of $909.4 million. According to the administering Power, GDP is expected to grow by 1.2 per cent in 2014 over the 2013 estimates, driven by growth in the tourism, construction, communication, real estate and rental and business sector services. Imports consist mostly of food, machinery and fuel.

B. Financial services

9. According to data released by the United Nations Conference on Trade and Development in 2014, the Territory's 2013 inflow of foreign direct investment had increased by 27.7 per cent compared with 2012, reaching a total of $92 billion.

10. According to Oxford Analytica, as at July 2012, the Territory had a 45 per cent share of the international business company market. Government sources indicate that in 2013, 459,882 international companies were active. International company registration fees are a major source of income for the territorial Government.

11. On 30 June 2014, the territorial Government signed an agreement with the United States of America to hand over ownership information to the latter regarding financial account holders in the Territory, which is expected to facilitate compliance, for the companies registered in the Territory, with the United States Foreign Accounts Tax Compliance Act.

12. To date, the Territory has signed 27 tax information exchange agreements, including with the United Kingdom.

C. Tourism

13. According to the administering Power, the tourism sector in the British Virgin Islands continued its efforts to appeal to the high-end traveller. According to data provided by the administering Power, in 2013, over 742,000 tourists visited the Territory, including some 367,000 cruise ship visitors, 366,000 overnight visitors and 8,000 other visitors. The Territory suffered a decline of 1.5 per cent in visitors over the 2012 numbers, mainly owing to the global economic downturn, but recorded a growth of 4.2 per cent in overnight visitors. According to the territorial Government, the contribution of tourism to GDP was estimated at $277.9 million in 2013, which accounted for 35 per cent of the overall estimated GDP for 2013. In addition, the tourism sector was the source of about 3,400 jobs, accounting for 18.6 per cent of total employment in 2012.

D. Agriculture and fisheries

14. Agriculture and fishing account for about 0.5 per cent of the Territory's GDP. Most food requirements are met through imports. Around 800 ha of land are cultivated, and another 4,000 ha are devoted to pasture. The main crops are fruits and vegetables, produced both for local consumption and for export to the United States Virgin Islands.

15. The Territory's Fisheries Act of 1997 and Fisheries Regulations of 2003 govern small-scale commercial and recreational fisheries, which serve mainly the local market.

E. Communications and infrastructure

16. The British Virgin Islands has more than 200 km of surfaced roads. The Government continues to upgrade road infrastructure and to expand the road network. As previously reported, the Infrastructure Rehabilitation Loan Project, the joint venture between the territorial Government and the Caribbean Development Bank, continued to support the implementation of road and bridge rehabilitation works to improve drainage in flood-prone areas.

17. There are three international airports, served by 15 airlines. Direct shipping services operate from the Netherlands, the United Kingdom and the United States. A deep-water harbour is located in Road Town. A regular ferry service links Tortola with some of the islands as well as with Saint Thomas in the United States Virgin Islands.

18. Physical planning in the British Virgin Islands is governed by the Physical Planning Act of 2004, under which all development in the Territory must be approved by the Physical Planning Authority. According to the administering Power, the territorial Government is working on regulations that would replace the Land Development Control Guidelines, 1972 and address such areas as the procedures for environmental impact assessments, the regulation of the subdivision of land and the preservation of buildings and sites.

19. Tortola is reportedly the only island in the Territory with a public sewage system, although it does not cover the entire island. A number of islands also

reportedly suffer from a lack of potable water, despite the introduction of desalination in the 1980s. According to the administering Power, more than $8 million is expected to be spent in 2014-2015 to lay water and sewage pipes in order to improve the Territory's water and sewage system.

IV. Social conditions

A. Labour and immigration

20. Since 2009, the British Virgin Islands has experienced an average decline of 1.5 per cent in its employed population. In 2011, the employed population of the Territory was 18,198 persons, 27.6 per cent of whom were local workers and 66.9 per cent expatriate workers. The remaining 5.5 per cent were not specified.

21. The main employers are the territorial Government, financial services, wholesale and retail trade entities and the tourism and construction sectors. On average, an employed person in the Territory earned $25,296 in 2011. Based on the Government of the British Virgin Islands definition of a small business (seven or fewer employees), small businesses provided approximately 20 per cent of the jobs in the Territory.

22. The total recorded unemployment rate was 2.8 per cent in the 2010 census. The Government's Youth Employment Services initiative remains in operation and efforts to register unemployed youth and provide basic job training and preparation skills through this initiative continue. According to the administering Power, over 600 young people have been trained through the initiative, 200 of whom have been placed in jobs.

23. On 19 September 2014, the territorial Government announced the formation of a committee to consider the effects of raising the minimum wage, which has remained at $4 an hour since 1999.

24. Work permit exemptions are granted by the territorial Government on the basis of enrolment in the school system (entrance at the primary level and completion at the secondary level), marriage to a belonger for a period of not less than three years or residency in the Territory of the British Virgin Islands for 20 years or more by a person who has demonstrated good character. According to the administering Power, the number of exemptions granted is considered on an annual basis.

B. Education

25. The education system in the Territory is guided by the Education Act 2014 and its amendment. The regulations contained therein are expected to provide guidance to the education system and its stakeholders regarding the implementation of programmes and services, the monitoring of the delivery of education programmes operated under the Act, and the conduct of school supervision, including complaint investigations requested by the public.

26. According to the administering Power, the Territory has 14 public primary schools and 4 public secondary schools, in addition to 1 public pre-primary school

and 1 public special education learning centre. There are also a number of private primary and secondary schools.

27. Primary and secondary education are free and compulsory for children ages 5 through 17. In 2014, the Virgin Islands School of Technical Studies was opened, with the mission to provide access to technical vocational education and training at the secondary level consistent with regional and international standards. The School offers such subject areas as construction, auto mechanics, hospitality, catering, cosmetology and home economics.

28. Tertiary education is offered for free to Virgin Islanders at the local community college (H.L. Stoutt Community College), which has campuses on Tortola and Virgin Gorda Islands. The Community College also collaborates with several universities outside the Virgin Islands that offer programmes at the Bachelor's degree level. Citizens from the British overseas territories benefit from the home student fee rate at British universities. In addition, the European Union provides for access to, among others, horizontal European Union funds, such as those for higher education and vocational education.

C. Public health

29. According to the information provided by the administering Power, infant mortality is low and life expectancy is high, at about 80 years. The Health Services Authority of the Territory, an autonomous corporate body, was established in 2005 to manage all public health-care delivery services for the Ministry of Health and Social Development.

30. According to the administering Power, the design of a national health insurance programme has been completed and is expected to come into effect in the second quarter of 2015, to be administered by a new division of the Social Security Board.

31. With the assistance of the Pan American Health Organization (PAHO), a review of the Territory's mental health system was conducted in the light of modern advances in the field of psychiatry and relevant international human rights commitments and obligations. As a result, a new mental health policy and the Mental Health Act were passed in 2014.

32. The Territory continues to identify and make use of all available sources of assistance, in particular from regional and global health organizations such as PAHO and United Nations agencies, to share best practices on health strategies and processes, with special emphasis on the prevention, treatment and care of non-communicable diseases.

D. Crime and public safety

33. According to the administering Power, the overall rate of reported crime in the past four years has decreased and almost one in four of all crimes reported were domestic incidents. In addition, improvements in the handling of forensic evidence continued to raise the detention rate, which was at 48 per cent of all reported crime. The Royal Virgin Police Force has continued to work towards greater community integration and involvement through neighbourhood policing and to explore ways of

improving public safety by, for example, enacting legislation for the introduction of a public safety camera scheme and the development of an electric tagging system for offenders. In addition, former police officers from the United Kingdom have been assisting their local counterparts to help to build capacity and enhance skills in crime scene, financial and homicide investigations, covert operations and force intelligence.

E. Human rights

34. Major international and European human rights conventions have been extended to the British Virgin Islands. Chapter 2 of the 2007 Constitution enshrines fundamental rights and freedoms of the individual and provides for the establishment by law of a human rights commission. According to the administering Power, in November 2014, a bill entitled "Human Rights Commission Act" was introduced to the House of Assembly. Some of the powers and duties of the human rights commission to be established include educating the public on the rights and freedoms in the 2007 Constitution and those relating to other international human rights instruments or activities. The judicial system continues to hear matters brought on the grounds of alleged infringements of human rights.

35. According to the information contained in *Human Rights and Democracy: the 2013 Foreign and Commonwealth Office Report*, the protection and promotion of human rights in each territory is primarily the responsibility of the territorial Government, while the Government of the United Kingdom is ultimately responsible for ensuring that the territories fulfil their obligations arising from international human rights treaties that have been extended to them.

36. The first National Policy for Gender Equity and Equality was developed in 2011 with the objective to, inter alia, educate and change public attitudes on gender roles and responsibilities and develop new strategies to eliminate domestic and other forms of gender-based violence and discrimination in the Territory.

V. Environment

37. The British Virgin Islands has acceded to several multilateral environmental agreements, including the Convention on International Trade in Endangered Species of Wild Fauna and Flora, the Convention on Biological Diversity and the Convention on Wetlands.

38. In April 2014, the United Kingdom submitted its fifth national report to the Conference of the Parties to the Convention on Biological Diversity. The report contains information in respect of the overseas territories to which the Convention has been extended, namely, the British Virgin Islands, the Cayman Islands, Gibraltar and Saint Helena, Ascension and Tristan da Cunha.

39. In May 2014, the territorial Government passed legislation to establish a permanent shark sanctuary in its waters and prohibit commercial fishing of all shark and ray species throughout its exclusive economic zone. In addition, according to the administering Power, a public consultation took place in 2014 to dedicate five new protected coastal and marine zones.

40. The United Kingdom Overseas Territories Biodiversity Strategy has been devised as a key tool to enable the United Kingdom and overseas territorial Governments to meet the relevant international obligations for the conservation and sustainable use of biodiversity. In April 2014, a report was published about ongoing and planned activities that are supported by the Department for Environment, Food and Rural Affairs, the Foreign and Commonwealth Office and the Department for International Development of the Government of the United Kingdom, as well as its statutory adviser the Joint Nature Conservation Committee, in each of the areas under the Strategy. The report covered, inter alia, activities in Anguilla, Bermuda, the British Virgin Islands, the Cayman Islands, the Falklands Islands (Malvinas),[1] Gibraltar, Montserrat, Pitcairn, Saint Helena and the Turks and Caicos Islands.

41. Environment Ministers of the States members of the Organisation of Eastern Caribbean States (OECS) (of which the British Virgin Islands is an associate member) met in Road Town in September 2014, addressing such topics as ocean governance, energy and climate change, in addition to other relevant policy issues relating to natural disasters and small island developing States.

VI. Relations with international organizations and partners

42. The British Virgin Islands has associate membership in the Economic Commission for Latin America and the Caribbean, the International Labour Organization and the United Nations Educational, Scientific and Cultural Organization.

43. The Territory is an associate member of the Caribbean Community (CARICOM), the Caribbean Common Market and OECS and is a borrowing member of the Caribbean Development Bank.

44. In March 2014, the Territory hosted the sixth meeting of the Inter-Virgin Islands Council between the British Virgin Islands and the United States Virgin Islands with a view to addressing mutual interests and challenges and to fostering and promoting cooperation between the two Territories. Topics addressed in the meeting included law enforcement; pleasure boating and sport fishing; cooperation in tourism, energy and utilities; and cultures and education.

45. As a Non-Self-Governing Territory of the United Kingdom, the British Virgin Islands is associated with the European Union but is not a part of it. As at January 2014, the Territory was a partner under the 2013 decision of the European Union on the association of the overseas countries and territories with the European Union, which was approved, among other reasons, to move away from a classic development cooperation approach towards a reciprocal partnership that promotes sustainable development, as well as the values and standards of the European Union in the world. In 2014, the British Virgin Islands held the chairmanship of the Overseas Countries and Territories Association of the European Union.

[1] A dispute exists between the Governments of Argentina and the United Kingdom of Great Britain and Northern Ireland concerning sovereignty over the Falkland Islands (Malvinas).

VII. Future status of the Territory

A. Position of the territorial Government

46. The position of the territorial Government regarding the future status of the British Virgin Islands is reflected under section I above.

B. Position of the administering Power

47. On 10 October 2014, at the 5th meeting of the Special Political and Decolonization Committee (Fourth Committee) during the sixty-ninth session of the General Assembly, the representative of the United Kingdom stated that the relationship of the Government of the United Kingdom with its overseas territories was modern and based on partnership, shared values and the right of the people of each territory to determine whether to remain British. Should the people of a territory choose to remain British, the United Kingdom would maintain and deepen its special relationship with them.

48. He went on to say that, since the publication in June 2012 by the Government of the United Kingdom of a white paper entitled *The Overseas Territories: Security, Success and Sustainability*, the United Kingdom had been working closely with the territories to develop that partnership further. His Government had a fundamental responsibility to ensure the security and good governance of its overseas territories. The United Kingdom had strengthened the annual meeting with territory leaders into a Joint Ministerial Council and had given it a clear mandate to lead work to review and implement the strategy and the commitments set out in the white paper.

49. At the third meeting of the Overseas Territories Joint Ministerial Council, held in London on 2 and 3 December 2014, the United Kingdom and overseas territory leaders agreed upon a communiqué that included the following passage setting out the joint position of the United Kingdom and the overseas territories on self-determination:

> The peoples of all the Territories have the right of self-determination. For those Territories with permanent populations who wish it, the United Kingdom will continue to support requests for the removal of the Territory from the United Nations list of Non-Self-Governing Territories. Territory Governments are politically accountable to their legislatures for the exercise of devolved areas of policy. We will continue to work together to develop governmental and democratic institutions so that Territories have the greatest self-government possible, compatible with the United Kingdom's obligations in respect of its sovereign responsibilities.

VIII. Action taken by the General Assembly

50. On 5 December 2014, the General Assembly adopted resolutions 69/105 A and B without a vote, on the basis of the report of the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples for 2014 (A/69/23) and the

subsequent recommendation by the Fourth Committee. Section IV of resolution 69/105 B concerns the British Virgin Islands. In that section, the General Assembly:

(a) Recalled the 2007 Constitution of the British Virgin Islands, and stressed the importance of continued discussions on constitutional matters, to accord greater responsibility to the territorial Government for the effective implementation of the Constitution and increased levels of education relating to constitutional matters;

(b) Requested the administering Power to assist the Territory by facilitating its work concerning public outreach efforts, consistent with Article 73 *b* of the Charter, and in that regard called upon the relevant United Nations organizations to provide assistance to the Territory, if requested;

(c) Welcomed the active participation of the Territory in the work of the Economic Commission for Latin America and the Caribbean;

(d) Noted the holding, in March 2014, of the meeting of the Inter-Virgin Islands Council between the Territory and the United States Virgin Islands.

United Nations A/AC.109/2015/8

General Assembly

Distr.: General
12 February 2015

Original: English

Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples

Cayman Islands

Working paper prepared by the Secretariat

Contents

		Page
	The Territory at a glance	3
I.	Constitutional, legal and political issues	4
II.	Budget	5
III.	Economic conditions	5
	A. General	5
	B. Financial services	5
	C. Tourism	6
	D. Agriculture	6
	E. Infrastructure	7
	F. Telecommunications and utilities	7
IV.	Social conditions	8
	A. General	8
	B. Labour and immigration	8

Note: The information contained in the present working paper has been derived from public sources, including those of the territorial Government, and from information transmitted to the Secretary-General by the administering Power under Article 73 *e* of the Charter of the United Nations. Information was transmitted by the administering Power on 29 December 2014. Further details are contained in previous working papers, available from www.un.org/en/decolonization/workingpapers.shtml.

15-01917 (E) 040315

Please recycle

C. Education 9
D. Public health 9
E. Crime and public safety 9
F. Human rights 10
V. Environment and disaster preparedness 11
VI. Relations with international organizations and partners 12
VII. Future status of the Territory 12
A. Position of the territorial Government 12
B. Position of the administering Power 13
VIII. Action taken by the General Assembly 13

The Territory at a glance

Territory: The Cayman Islands is a Non-Self-Governing Territory under the Charter of the United Nations administered by the United Kingdom of Great Britain and Northern Ireland.

Representative of administrative Power: Governor Helen Kilpatrick (September 2013)

Geography: Located some 290 km west of Jamaica and about the same distance south of Cuba, the Territory comprises three islands: Grand Cayman, Cayman Brac and the adjacent Little Cayman.

Land area: 264 km^2

Exclusive economic zone: 119,137 km^2

Population: 55,691 (2013 estimate)

Life expectancy at birth: 81.0 years (male 78.3 years, female 83.8 years (2014 estimate))

Ethnic composition: Afro-European (40 per cent), African (20 per cent), European (20 per cent), other (20 per cent)

Languages: English

Capital: George Town

Head of the territorial Government: Premier Alden McLaughlin (May 2013)

Main political parties: People's Progressive Movement (Progressives), Cayman Islands Democratic Party (CIDP)

Elections: The most recent elections were held on 22 May 2013; the next elections are due in May 2017.

Legislature: Legislative Assembly (18 elected and 2 ex officio members)

Gross domestic product per capita: US$ 56,600 (2013 estimate)

Economy: International financial services and tourism

Main trading partners: United States of America

Unemployment rate: 6.32 per cent (2013 estimate)

Monetary unit: Cayman dollar, pegged to the United States dollar (CI$ 1 = US$ 1.20)

Brief history: The Territory, reportedly sighted by Christopher Columbus in the late fifteenth century, was first settled by the British between 1661 and 1671. A tradition of self-government gradually grew in the Territory since 1734 and a legislative assembly was established in 1831. Slavery was abolished in 1834. In 1863, the Cayman Islands became a dependency of Jamaica and, when the latter achieved independence 99 years later, the Islands remained under the British Crown.

I. Constitutional, legal and political issues

1. Under the 2009 Constitution, the Governor, appointed by the British Crown, is responsible for external affairs, defence, internal security and the civil service.

2. The Legislative Assembly consists of the Speaker, 18 elected members and 2 ex officio members, the Deputy Governor and the Attorney General. The Speaker of the Assembly can be either an elected member of the Assembly who is not a minister or a person qualified to be an elected member of the Assembly. The Territory's Cabinet, chaired by the Governor, is composed of the Premier, six other ministers and two ex officio members, the Deputy Governor and the Attorney General. The Premier is a member of the Assembly who is recommended by the party with the majority of seats and appointed by the Governor. The six other ministers are appointed by the Governor upon the advice of the Premier from within the elected membership of the Assembly.

3. During the general elections held in May 2013, the People's Progressive Movement (Progressives) won 9 of the 18 seats in the Assembly. The United Democratic Party, now known as the Cayman Islands Democratic Party (CIDP), won three seats, and the remaining six seats were won by candidates who ran as independents or as part of differing political groups. Following the election, Juliana O'Connor-Connolly, the former Premier, joined the Progressives, giving them a majority of seats to form the Government. Shortly afterwards, three other newly elected representatives, who had campaigned together as the Coalition for Cayman political group, also agreed to serve in the new administration, thus giving the Progressives a majority of 13 seats in the Assembly. As a result, Alden McLaughlin, the Leader of the Progressives, was appointed Premier of the Cayman Islands.

4. The judiciary consists of a Summary Court (including the Youth Court), a Coroner's Court, a Grand Court and a Court of Appeal. The Summary Court has civil and criminal jurisdiction. Appeals from the Summary Court lie to the Grand Court, which is a superior court of record and administers the common law of England and Wales. Appeals from the Grand Court lie to the Court of Appeal, composed of a president and not less than two judges. Further appeal lies, in certain circumstances, to the Judicial Committee of the Privy Council in London. According to the administering Power, the Territory has also developed three "problem solving" courts to deal with offenders with drug addiction or mental health problems or those who have committed offences in a domestic context.

5. As previously reported, in 2011 the Cayman Islands Review Committee issued a report entitled "United Kingdom and Cayman Islands Relationship Review". Among the central issues raised during the consultative exercise was a desire to achieve more local autonomy, while at the same time establishing a relationship that allowed for sustained support from the United Kingdom, for instance in case of pressure from the international financial community.

6. Also as previously reported, at a meeting of the Commonwealth Parliamentary Association held in Johannesburg, South Africa, in September 2013, a former Premier of the Territory stated that the Cayman Islands had no mandate for independence, nor had the question arisen publicly.

II. Budget

7. According to the administering Power, the Territory's 2014/15 budget document forecasts total operating revenues of approximately CI$ 658 million and operating expenses of some CI$ 530 million. Unaudited financial results indicated that during the financial year that ended on 30 June 2014, the territorial Government registered a surplus of CI$ 108 million.

8. Since 2012, the United Kingdom and the Cayman Islands have been working together under a framework for fiscal responsibility that commits the Territory to prudent and transparent fiscal management through effective medium-term planning.

9. The Cayman Islands is a jurisdiction with no direct individual or corporate income tax. The principal sources of government revenue are import duties, financial services, licence fees, work permit fees and stamp duties. There is also an environmental tax on visitors.

10. The Cayman Islands is not eligible for territorial allocations under either the ninth or the tenth European Development Fund but is eligible for non-programmed aid.

III. Economic conditions

A. General

11. According to the administering Power, the Cayman Islands has one of the highest standards of living in the Caribbean. The economy is based on the provision of financial services, the dominant sector in the economy, and tourism. There are no commercial fisheries.

12. The territorial Government estimated the 2013 gross domestic product (GDP) at US$ 3.0 billion. According to the Cayman Islands semi-annual economic report, in the first half of 2014, the Territory's economy grew by 2.2 per cent, owing mainly to tourism services, wholesale and retail trade and real estate, renting and business services. Financial services continued to post weak growth.

B. Financial services

13. The international financial services sector accounts for over 42 per cent of the Territory's GDP. Government statistics published in 2014 indicate that the total number of stock listings with the Cayman Islands Stock Exchange remained essentially unchanged from 2010 to 2013.

14. According to the November 2013 financial secrecy index data, the Cayman Islands accounts for over 4 per cent of the global market for international financial services. Data indicate that much of the Territory's business comes from the world's biggest banks, corporations, hedge funds and other financial entities and arrangements: the Territory hosts over 200 banks, with over 40 of the top 50 banks from 45 countries holding licences in the Territory; 140 trust companies managing numerous trusts and other financial arrangements; and over 90,000 foreign

companies, which pay licence fees to operate in the Cayman Islands. The Territory is considered the world's leading domicile for hedge funds and health-care insurance companies.

15. The Cayman Islands became a signatory to the Convention on Mutual Administrative Assistance in Tax Matters of the Organization of Economic Cooperation and Development (OECD) in 2014. Furthermore, in October 2014, the Cayman Islands became one of the first signatories to the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information based on Article 6 of the Convention, which signified its commitment to the automatic exchange of information through the OECD Common Reporting Standard.

16. According to the administering Power, following the adoption of the Group of 20 High-level Principles on Beneficial Ownership Transparency in November 2014, the Cayman Islands signalled its agreement with the stated principles and its intention to take the action necessary to strengthen the availability of beneficial ownership information to relevant authorities. While the Territory does not maintain a central register of beneficial ownership information, it does require corporate service providers to maintain such information and to make it available to authorities on request in accordance with the standards of the Financial Action Task Force.

C. Tourism

17. According to the administering Power, tourism was one of the key drivers for GDP growth in 2013 and the first half of 2014. Cayman Airways, along with other airlines, opened new international services from various cities in Canada, Cuba, Honduras, Jamaica, Panama, the United States and a number of European countries. Domestic airline services and charters operate between the three islands in the Territory.

18. In 2013, overall tourist arrivals were approximately 1.7 million, falling by 5.9 per cent compared with the previous year, owing mainly to an 8.7 per cent decline in cruise arrivals, which were approximately 1.3 million. The recovery of cruise arrivals in 2012 was not sustained in 2013, which marked the lowest number since 2001. According to the territorial Government, some cruise lines had bypassed the Cayman Islands, owing to a lack of berthing facilities. On the other hand, stay-over arrivals in 2013 increased to 345,387, which grew by 7.4 per cent from the previous year (approximately 321,700). The number of stay-over arrivals in the Territory has been on an increasing trend since 2009, while the overall arrivals are fluctuating between 1.7 million and 1.8 million.

19. According to the administering Power, ongoing hotel development projects continue to drive infrastructure requirements through public services and tourism performance and are expected to add a minimum of 1,000 hotel rooms between 2016 and 2019.

D. Agriculture

20. According to the information provided by the administering Power, in 2013 the contribution to GDP by the agricultural sector remained steady at an estimated

CI$ 9 million. Demand for local produce and meats continued to remain strong, both among consumers and in the restaurant sector.

21. In 2014, the territorial Government, with assistance from the Caribbean Agricultural Research and Development Institute, developed the terms of reference for a national food and nutrition security policy and related plan of action with a view to affording residents the availability of healthier and more affordable foods. The Department of Agriculture continued to encourage local agricultural production through the provision of technical support, education and assistance to farmers.

22. In addition, according to the administering Power, in 2014 the Department focused on the expansion of programmes to improve the safeguarding of plant health and worked closely with regional partners, particularly United States authorities, in launching the "Don't pack a pest" programme, a traveller education and awareness initiative that encourages travellers to declare agricultural items that may carry invasive pests and diseases.

E. Infrastructure

23. According to the territorial Government, during the first half of 2014, construction continued to decline. Building permits granted decreased by 32 per cent, from 356 to 242, but the value of building permits surged by 190 per cent, to US$ 325 million. On the other hand, although there were 435 approved construction projects in the first half of 2014, an increase of 9 per cent (compared with 398 in the same period in 2013), the dollar value of those approved projects declined by 46.4 per cent.

24. The road network of the Cayman Islands comprises approximately 590 km of roadways, the majority of which are located in Grand Cayman. In 2013, a major bypass extension was opened in Grand Cayman and 99 district roads were maintained throughout the Territory.

25. In 2014, Cayman Islands Government aviation redevelopment projects continued at the two international airports in the Territory. Other initiatives included work on a proposed new cruise berthing facility for the Cayman Islands.

F. Telecommunications and utilities

26. As an international business centre, the Cayman Islands is dependent on telecommunications and utility services. Four telephone companies provide fixed and/or mobile voice and data services, three companies provide subscription television services, and there are 15 FM radio broadcasting stations. According to the administering Power, as at 30 June 2014, the total number of fixed and mobile telephone lines had decreased by 7.1 per cent to approximately 123,400. Over the same period, the number of fixed high-speed broadband connections increased by 7.6 per cent to approximately 21,300.

27. According to the administering Power, on Grand Cayman, where the Caribbean Utilities Company has a non-exclusive licence for electricity generation and an exclusive licence for its transmission and distribution, almost all power generation relies on imported diesel. A small but increasing amount of power is generated from renewable sources, which are primarily solar photovoltaic cells. On

Cayman Brac and Little Cayman, the Cayman Brac Power and Light Company has exclusive licences. According to data from the Water Authority and the Cayman Water Company, potable water consumption by residential and commercial customers fell by 2.9 per cent during the first six months of 2014, compared with the same period in 2013, reflecting, inter alia, the effects of increased utility prices.

IV. Social conditions

A. General

28. According to the information provided by the administering Power, in 2013 a total of 9,545 persons received some type of public assistance, including child protection, financial assistance and elderly care.

29. According to the administering Power, in order to provide a more effective response to the social issues within the Territory, the Ministry of Community Affairs has begun to strategically realign the services offered under its umbrella. The Needs Assessment Unit was created to provide welfare services separate and apart from professional social work services. The creation of the new Unit allowed the Department of Children and Family Services of the Ministry to respond to youth crime and the increased reporting requirements mandated by the Children Law (2012 Revision). The process of investigations has also been enhanced since April 2014 with the appointment of a full-time social worker based in the Family Support Unit within the Royal Cayman Islands Police.

30. The Department of Counselling Services in the Ministry continues to offer community-based therapy and counselling services, residential treatment services for drug and alcohol abuse, and skill-building workshops and programmes and broad public awareness campaigns on a variety of emergent social issues. Further refinement in the coming year is expected to focus on maximizing the effectiveness of the existing organizational structure.

B. Labour and immigration

31. According to government statistics, in 2013 the labour force numbered 38,483 persons, comprising 19,317 Caymanians (50.2 per cent of the labour force) and 19,166 non-Caymanians (49.8 per cent). Total employment in 2013 was estimated at 36,070, 0.9 per cent lower than the previous year. The unemployment rate rose slightly to 6.3 per cent in 2013 (compared with 6.2 per cent in 2012), owing to a higher unemployment rate for non-Caymanians. However, the unemployment rate among Caymanians declined from 10.5 per cent in 2012 to 9.4 per cent in 2013. The unemployment rate forecast for 2014 is 6.0 per cent, according to the administering Power.

32. In June 2014, an independent Minimum Wage Advisory Committee was appointed by Cabinet under the provisions of the Labour Law (2011) with the objectives of addressing exploitation and providing real relief to the lowest-paid workers; and improving employment opportunities to Caymanians as demand for imported workers is decreased. The Committee consists of 12 members equally representing employers, employees and independents and is supported by six

ex officio members from the civil service. According to the administering Power, the Committee is expected to present its final recommendations on establishing a minimum wage regime for the Cayman Islands in February 2015.

33. As previously reported, the Territory's Immigration Law was amended in 2013 to effect changes, inter alia, to the grant of permanent residence, the expiration of the term-limit exemption permit for key employees and the tenure of specialist caregivers.

34. In May 2012, the National Workforce Development Agency was established with the objective of providing effective human capital development and employment services in order to: (a) support the work readiness of Caymanians through skills assessments and a range of education, training and development opportunities; (b) align Caymanians actively seeking employment or career progression with the needs of employers; and (c) advance a national workforce development and training agenda.

35. Government statistics indicate that the number of work permits for non-Caymanian workers fell by 6.7 per cent to 19,432 in 2013 from 20,789 in 2012 and that the number in the first half of 2014 also declined by 2.2 per cent compared with the same period in 2013.

C. Education

36. Education is compulsory for all resident children between 5 and 16 years of age. The public education system caters to about two thirds of Caymanian children, with the remainder attending fee-paying schools. Two public and two private institutions provide tertiary education. Citizens from overseas territories benefit from the home student fee rate at British universities. The European Union provides for access to, among others, horizontal European Union funds, such as those for higher education and vocational education.

D. Public health

37. Health insurance is compulsory in the Cayman Islands. The Territory's Health Services Authority is responsible for the provision of all public health care. The first phase of the Health City Cayman Islands development was completed in February 2014 with the opening of a new hospital. According to the administering Power, the hospital is expected to create a medical tourism sector and offer health-care, educational and employment opportunities in a variety of fields.

E. Crime and public safety

38. The approximately 446-strong Royal Cayman Islands Police Service is headed by a Commissioner, who reports to the Governor.

39. Youth Court statistics in 2013 show a small decrease in the number of children convicted in Court for criminal offences compared with 2012, continuing the downward trend from the peak of 77 children in 2011. On the other hand, the number of offences increased slightly from 157 in 2012 to 168 in 2013 but was

considered substantially below the peak of 307 in 2011. A similar trend was also found in the number of cases filed. For its part, in 2013 the Department of Counselling Services hosted the first workshop of the "Alternative to violence" project, which is dedicated to reducing violence by teaching and empowering individuals to lead non-violent lives.

40. According to the administering Power, in 2013 the Territory's Prison Service produced a five-year strategic plan that concentrated on the foundations of security, safety, decency and rehabilitation. The Service has also continued to work with partner agencies and increased focus on rehabilitation, breaking the cycle of offending, thereby giving inmates the skills necessary to lead law-abiding lives.

41. The Cayman Islands Monetary Authority is the body responsible for monitoring compliance with international financial standards in the Territory and reporting findings to the territorial Government on a regular basis. An Anti-Corruption Commission was established under the Territory's 2008 Anti-Corruption Law.

42. During 2014, the United Kingdom continued to fund a law enforcement adviser based in Miami, United States, who coordinates, manages and facilitates training and strategic advice to introduce new techniques and skills for the Territory's law enforcement agencies, while HMS *Argyll* of the Royal Navy was on patrol in the Caribbean and North Atlantic to provide disaster relief and humanitarian assistance as needed. The ship was also engaged in counter-narcotics and interdiction patrols and made a reconnaissance visit to the Territory to improve its coordination with local disaster management bodies.

F. Human rights

43. The Territory is subject to several major human rights conventions to which the administering Power has acceded, including the European Convention on Human Rights, and has a Human Rights Commission with responsibilities that include investigating complaints. According to the administering Power, a formal request was made in December 2013 to the United Kingdom Government to extend the Convention on the Elimination of All Forms of Discrimination against Women to the Cayman Islands. Following that request, the Gender Equalities Office of the United Kingdom Government requested the Territory to complete an "evidence-gathering exercise" before the extension of the Convention to the Territory could be considered.

44. As previously reported, Part I of the 2009 Constitution Order setting out the Bill of Rights, Freedoms and Responsibilities came into effect on 6 November 2012, with the exception of the provisions relating to the segregation of prisoners, which came into effect in 2013. According to the administering Power, in 2014 a separate facility to remand children and, if they are convicted, for them to serve their sentences, while being separated from adult detainees or prisoners, was established.

45. Since the Bill of Rights came into effect, the local Courts have determined six cases in which human rights infringements were alleged. The majority of those cases emanated from criminal proceedings, with mainly procedural matters in question. To date, one declaration of incompatibility has been made pursuant to section 23 of the Bill of Rights.

46. In 2012, the Gender Equality Law 2011 took effect and a five-person Gender Equality Tribunal was established to hear and determine discrimination complaints. To date, the Tribunal has heard two complaints. Since its establishment, the Tribunal has published a comprehensive policies and procedures manual, as well as other brochures.

47. According to the administering Power, in 2014 the Cabinet approved the Cayman Islands Disability Policy 2014-2033, with the vision of ensuring that persons with disabilities can live with dignity, be respected and have the opportunity to participate fully in society.

V. Environment and disaster preparedness

48. The Cayman Islands has acceded to the Convention on Biological Diversity. The Department of Environment works along with other agencies to ensure that the Territory's natural resources are preserved and protected. Furthermore, Hazard Management Cayman Islands, a government agency, has overall responsibility for the Territory's hazard management programme, including preparedness, response, mitigation and recovery. An annual hurricane exercise is conducted prior to the hurricane season, which runs from 1 June to 30 November.

49. Increasing recreational and artisanal fishing in the shallow waters around the Islands continues to represent a threat to the Territory's marine environment. In December 2013, the Legislative Assembly voted to enact a national conservation bill, which, inter alia, included spending guidelines for an Environment Protection Fund. Furthermore, the Department of Agriculture works to protect the agricultural sector from the introduction of invasive alien species that could have a negative impact on crop and livestock production, as well as public health and national flora and fauna, such as the Cayman blue iguana, which until recently had been reduced to just a few. In September 2014, the National Conservation Council was established.

50. As previously reported, the report on sustainability in the United Kingdom overseas territories issued by the Environmental Audit Committee of the United Kingdom House of Commons in January 2014 identified a number of financial and institutional concerns regarding threats to unique habitats and species, as well as the protection of biodiversity in the overseas territories. With respect to the Cayman Islands, the report indicated that the Territory lacked baseline standards on development control, such as statutory environmental impact assessments for major developments and strategic development plans.

51. According to the administering Power, while Grand Cayman has a development plan, Cayman Brac and Little Cayman have no development plans and minimal planning controls. Reportedly acting within the current development framework, private developers are risking the biodiversity and ecological sustainability of the Cayman Islands as a direct consequence of inadequate development controls and the lack of comprehensive governance arrangements. The National Conservation Law, which was passed in 2013, is expected to improve environmental protection and development planning by providing the framework for statutory environmental impact assessments. According to the administering Power, the instructions for drafting regulations on environmental impact assessments under the Law are being formulated.

52. With respect to solid waste management practices, according to the administering Power, the Cayman Islands Government recently initiated a project with waste management consultants to develop a comprehensive, long-term solid waste management strategy for the islands, as well as to identify the optimal mix of technologies and approaches to form a waste management solution for the Territory in the near term.

53. The United Kingdom Overseas Territories Biodiversity Strategy has been devised as a key tool to enable the United Kingdom and overseas territorial Governments to meet the relevant international obligations for the conservation and sustainable use of biodiversity. In April 2014, a report was published about ongoing and planned activities that are supported by the Department for Environment, Food and Rural Affairs, the Foreign and Commonwealth Office and the Department for International Development of the Government of the United Kingdom, as well as its statutory adviser, the Joint Nature Conservation Committee, in each of the areas under the Strategy. The report covered, among others, activities in Anguilla, Bermuda, the British Virgin Islands, the Cayman Islands, the Falkland Islands (Malvinas),[1] Gibraltar, Montserrat, Pitcairn, Saint Helena and the Turks and Caicos Islands.

VI. Relations with international organizations and partners

54. The Cayman Islands is an associate member of the Economic Commission for Latin America and the Caribbean and of the United Nations Educational, Scientific and Cultural Organization and a member of the Universal Postal Union. The Cayman Islands also participates in the work of the Caribbean Community as an associate member and is a member of the Caribbean Development Bank and the International Olympic Committee.

55. As a Non-Self-Governing Territory of the United Kingdom, the Territory is associated with but not a part of the European Union. Since January 2014, the Territory has been a partner under the 2013 Overseas Association Decision of the Council of the European Union, which was approved, inter alia, in an effort to move away from a classic development cooperation approach to a reciprocal partnership that promotes sustainable development and the values and standards of the European Union in the wider world.

VII. Future status of the Territory

A. Position of the territorial Government

56. Information on the position of the territorial Government regarding the future status of the Cayman Islands is reflected in section I above.

[1] A dispute exists between the Governments of Argentina and the United Kingdom of Great Britain and Northern Ireland concerning sovereignty over the Falkland Islands (Malvinas).

B. Position of the administering Power

57. On 10 October 2014, at the 5th meeting of the Special Political and Decolonization Committee (Fourth Committee) during the sixty-ninth session of the General Assembly, the representative of the United Kingdom stated, inter alia, that the relationship of the Government of the United Kingdom with its overseas territories was a modern one based on partnership, shared values and the right of the people of each territory to choose to remain British. Where the people of a territory chose to remain British, the United Kingdom would maintain and deepen the special relationship.

58. The representative said that since the publication in June 2012 by the Government of the United Kingdom of a white paper entitled *The Overseas Territories: Security, Success and Sustainability*, the United Kingdom had been working closely with the overseas territories to develop that partnership further. His Government had a fundamental responsibility to ensure the security and good governance of its overseas territories. The United Kingdom had strengthened the annual meeting with overseas territory leaders into a Joint Ministerial Council and had given it a clear mandate to lead work to review and implement the strategy and the commitments set out in the white paper.

59. At the third meeting of the Overseas Territories Joint Ministerial Council, held in London on 2 and 3 December 2014, the United Kingdom and overseas territory leaders agreed on a communiqué that included the following passage, which set out the joint position of the United Kingdom and the overseas territories on self-determination:

> The peoples of all the Territories have the right of self-determination. For those Territories with permanent populations who wish it, the United Kingdom will continue to support requests for the removal of the Territory from the United Nations list of Non-Self-Governing Territories. Territory Governments are politically accountable to their legislatures for the exercise of devolved areas of policy. We will continue to work together to develop governmental and democratic institutions so that Territories have the greatest self-government possible, compatible with the United Kingdom's obligations in respect of its sovereign responsibilities.

VIII. Action taken by the General Assembly

60. On 5 December 2014, the General Assembly adopted resolutions 69/105 A and B without a vote, on the basis of the report of the Special Committee (A/69/23) and the subsequent recommendation by the Fourth Committee. Section V of resolution 69/105 B concerns the Cayman Islands. In that section, the General Assembly:

(a) Recalled the 2009 Constitution of the Cayman Islands, and stressed the importance of the work of the Constitutional Commission, including its work on human rights education;

(b) Requested the administering Power to assist the Territory by facilitating its work concerning public awareness outreach efforts, consistent with Article 73 *b* of the Charter, and in that regard called upon the relevant United Nations organizations to provide assistance to the Territory, if requested;

(c) Welcomed the active participation of the Territory in the work of the Economic Commission for Latin America and the Caribbean;

(d) Also welcomed the efforts made by the territorial Government to implement financial sector management policies, medical and sports tourism initiatives and unemployment alleviation programmes in various economic sectors.